

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 01 2012**

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2011

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OUACHITA PARISH CLERK OF COURT  
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# MARCUS, ROBINSON, and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 2896  
MONROE, LOUISIANA 71207-2896  
TELEPHONE 322-8106  
FAX 387-5015

Harvey Marcus, CPA  
John Robinson, CPA  
Doyle Hassell, CPA

Dawn Perkins, CPA  
Brian Robinson, CPA

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

The Honorable Louise Bond  
Ouachita Parish Clerk of Court  
Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ouachita Parish Clerk of Court, a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2011, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Ouachita Parish Clerk of Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ouachita Parish Clerk of Court, as of June 30, 2011, and the respective changes in its financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 K Fund Equity of Fund Financial Statements, the Clerk of Court adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for the fiscal year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011, on our consideration of the Ouachita Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 8 and 28 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's financial statements taken as a whole. The individual financial statements of agency funds presented on page 31 through 32 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Marcus Robinson & Hassell*

MARCUS, ROBINSON AND HASSELL  
Monroe, Louisiana  
December 12, 2011

REQUIRED SUPPLEMENTAL INFORMATION

PART J

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

The following discussion and analysis of the Ouachita Parish Clerk of Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2011. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements, which follows this report.

**FINANCIAL HIGHLIGHTS**

- The assets exceeded liabilities by \$1,569,848 at the end of the current fiscal year. Net assets consisted of investment in capital assets in the amount of \$133,858 (9%) and unrestricted net assets in the amount of \$1,435,990 (91%).
- The total net assets decreased by \$522,622 over the prior fiscal year. This decrease was primarily attributable to the recording of the net OPEB obligation expense.
- As of the close of the current fiscal year, the governmental funds showed ending fund balance of \$2,512,743, an increase of \$69,163. Of the total ending fund balance, all was considered available for funding future operational needs (Unassigned fund balance).
- During the year revenues increased \$79,473 (2%) from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Assets and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. Fund Financial Statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance, and Combining Statement of Fiduciary Net Assets) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Clerk's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Clerk's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

**Government-Wide Financial Statements - continued**

Both the government-wide financial statements distinguish functions of the Clerk that are principally supported by fines and fees charged to the public (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Clerk are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effects of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Clerk's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Clerk of Court is the trustee, or fiduciary, for funds reserved by the Court and Advanced Costs collected for court costs. All of these fiduciary activities are reported in a separate Combined Statement of Fiduciary Net Assets. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.



OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

**GOVERNMENT WIDE FINANCIAL ANALYSIS**

**Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The net assets totaled \$1,569,848 at the end of the current fiscal year, which was a 26% decrease over the prior fiscal year. Following is a summary of the government-wide Statement of Net Assets:

Statement of Net Assets		
	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$1,306,598	\$1,389,604
Investments	950,000	950,000
Receivables	272,674	161,885
Capital Assets (net of accumulated depreciation)	<u>133,858</u>	<u>214,372</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$2,663,130</u></b>	<b><u>\$2,712,861</u></b>
<b><u>LIABILITIES</u></b>		
Accounts Payable and Accrued Taxes	\$ 16,529	\$ 54,909
Net OPEB Obligation	<u>1,076,753</u>	<u>535,482</u>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>1,093,282</u></b>	<b><u>590,391</u></b>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, net of related debt	133,858	214,372
Unrestricted	<u>1,435,990</u>	<u>1,908,998</u>
<b><u>TOTAL NET ASSETS</u></b>	<b><u>\$1,569,848</u></b>	<b><u>\$2,122,470</u></b>

The portion of the net assets - invested in capital assets are used to provide services to citizens; consequently, these assets are no available for future spending. The Clerk cannot sell the assets to obtain funding.

The remaining balance of net assets is considered unrestricted and may be used to meet the ongoing obligations to citizens and creditors.

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

**Changes in Net Assets**

For the year ended June 30, 2011, the net assets decreased by \$552,622.

Statement of Activities			
		<u>2011</u>	<u>2010</u>
Judicial:			
Personal Services		\$3,615,736	\$3,418,687
Operating Services		621,233	609,594
Materials and Supplies		129,011	105,359
Travel		22,820	29,209
Depreciation Expense		<u>87,673</u>	<u>92,277</u>
Total Program Expenses		4,476,473	4,255,126
Program Revenues:			
License and Permits - Marriage		18,271	17,047
Clerk's Supplemental Compensation		21,000	19,800
Court Cost, Fees, and Charges		2,367,444	2,275,621
Fee for Recording Legal Documents		1,186,003	1,161,596
Charges for Copies		97,122	167,096
Charges for Photocopier		189,491	150,207
Court Attendance		10,896	11,880
Miscellaneous		<u>11,342</u>	<u>21,386</u>
Total Program Revenues		<u>3,901,569</u>	<u>3,824,633</u>
Net Program Expenses		(574,904)	(430,493)
General Revenues:			
Interest Earned		21,482	18,945
Gain on Sale of Assets		<u>800</u>	<u>1,000</u>
Change in Net Assets		(552,622)	(410,548)
Net Assets - Beginning of Year		<u>2,122,470</u>	<u>2,533,018</u>
Net Assets - End of Year		<u>\$1,569,848</u>	<u>\$2,122,470</u>

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

The Clerk uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

**Governmental Funds**

The focus of the governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for funding future operational needs.

**Major Government Fund**

- The General Fund is the chief operating fund. At the end of the current fiscal year, fund balance totaled \$2,512,743 of which all was unassigned.
- The fund balance of the General Fund increased by \$69,163 during the current fiscal year, as compared to the prior fiscal year.

**BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was amended during the fiscal year.

**CAPITAL ASSETS**

Capital assets include furniture, fixtures and office equipment recorded at historical cost of \$1,065,261. Accumulated depreciation as of June 30, 2011 totaled \$931,403 resulting in an ending book balance of capital assets of \$133,858. Depreciation expense of \$87,673 was recorded for the year.

**OTHER POST-EMPLOYMENT BENEFITS**

At the beginning of the prior fiscal year, the Clerk has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The adoption of this standard requires the prospective recognition of Other Post Employment Benefits (OPEB) in the basic financial statements (net of contributions to any irrevocable trust). Prior to July 1, 2009, the Clerk did not recognize any OPEB liability in the basic financial statements.

The following table show the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the Plan:

Annual Required Contribution	\$ 674,495
Interest on Net OPEB Obligation	<u>21,419</u>
Annual OPEB Cost (Expense)	695,914
Contributions Made	<u>(154,643)</u>
Increase in OPEB Obligation	541,271
Net OPEB Obligation, Beginning of Year	<u>535,482</u>
Net OPEB Obligation, End of Year	<u><u>\$1,076,753</u></u>

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

**ECONOMIC FACTORS AND NEXT YEARS BUDGET**

The Clerk is dependent on charges for services for 99% of its revenues. The economy is not expected to generate any significant growth. Therefore, the Clerk's future revenues are expected to remain relatively consistent with the current year. The budget for 2012 is approximately the same as the 2011 budget.

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact:

The Honorable Louise Bond  
Ouachita Parish Clerk of Court  
P.O. Box 1862  
Monroe, La 71210

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

ASSETS

Cash and Cash Equivalents	\$1,306,598
Investments	950,000
Receivables	272,674
Capital Assets (net of accumulated depreciation)	<u>133,858</u>
<u>TOTAL ASSETS</u>	2,663,130

LIABILITIES

Accounts Payable & Accrued Taxes	16,529
Net OPEB Obligation	<u>1,076,753</u>
<u>TOTAL LIABILITIES</u>	1,093,282

NET ASSETS

Invested in Capital Assets, net of related debt	133,858
Unrestricted	<u>1,435,990</u>
<u>TOTAL NET ASSETS</u>	<u>\$1,569,848</u>

See Notes to Financial Statements

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

		<u>Program Revenues</u>		<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Revenue and Changes in Net Assets</u>
<u>Functions/Programs:</u>				
<u>Judicial</u>				
Personal Services	\$3,615,736	\$21,000	\$0	\$(3,594,736)
Operating Services	621,233	0	0	(621,233)
Materials and Supplies	129,011	0	0	(129,011)
Travel and Other Charges	22,820	0	0	(22,820)
Depreciation	87,673	0	0	(87,673)
<u>TOTAL PROGRAM EXPENSES</u>	<u>\$4,476,473</u>	<u>\$21,000</u>	<u>\$0</u>	<u>(4,455,473)</u>
<u>Program Revenues</u>				
License & Permits				18,271
Court Cost, Fees & Charges				2,367,444
Fees for Recording Legal Documents				1,186,003
Charges for Copies				97,122
Charges for Photocopies				189,491
Court Attendance				10,896
Miscellaneous				11,342
<u>TOTAL PROGRAM REVENUES</u>				<u>3,880,569</u>
<u>NET PROGRAM EXPENSES</u>				<u>(574,904)</u>
<u>General Revenues</u>				
Proceeds from Sale of Assets				800
Use of Money - Interest Earned				21,482
<u>TOTAL GENERAL REVENUES</u>				<u>22,282</u>
<u>Change in Net Assets</u>				<u>(552,622)</u>
<u>Net Assets at Beginning of Year</u>				<u>2,122,470</u>
<u>Net Assets at End of Year</u>				<u>\$1,569,848</u>

See Notes to Financial Statements

**FUND FINANCIAL STATEMENTS (FFS)**



OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2011

ASSETS

Cash and Cash Equivalents	\$1,306,598
Investments	950,000
Receivables	<u>272,674</u>

<u>TOTAL ASSETS</u>	<u>\$2,529,272</u>
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LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts Payable and Accrued Taxes	\$ 16,529

<u>TOTAL LIABILITIES</u>	16,529
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Fund Balances:	
Unassigned	<u>2,512,743</u>

<u>TOTAL FUND BALANCES</u>	<u>2,512,743</u>
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<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$2,529,272</u>
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See Notes to Financial Statements

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

Total Fund Balances at June 30, 2011 - Governmental Funds		\$2,512,743
Cost of Capital Assets at June 30, 2011	\$1,065,261	
Less: Accumulated Depreciation as of June 30, 2011	( 931,403)	133,858
Long-Term Liabilities are not due and Payable in the Current Period and Therefore are not Reported in the Government Funds:		
Net OPEB Obligation		(1,076,753)
Net Assets at June 30, 2011		<u>\$1,569,848</u>

See Notes to Financial Statements

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011

REVENUES

License & Permits	\$ 18,271
Intergovernmental Revenues:	
State Grants - Supplemental Compensation	21,000
Fees, Charges and Commissions for Services:	
Court Cost, Fees and Charges	2,367,444
Fees for Recording Legal Documents	1,186,003
Charges for Copies	97,122
Charges for Photocopies	189,491
Court Attendance	10,896
Miscellaneous	11,342
Use of Money - Interest Earnings	21,482
<u>TOTAL REVENUES</u>	<u>3,923,051</u>

EXPENDITURES

Current:	
Personal Services and Related Benefits	3,074,465
Operating Services	621,233
Materials and Supplies	129,011
Travel and Other Charges	22,820
Capital Outlay	7,159
<u>TOTAL EXPENDITURES</u>	<u>3,854,688</u>

EXCESS (DEFICIENCY) OF REVENUES  
OVER EXPENDITURES

68,363

OTHER FINANCING SOURCES

Sale of Assets	800
<u>TOTAL OTHER FINANCING SOURCES</u>	<u>800</u>

EXCESS (DEFICIENCY) OF REVENUES AND OTHER  
SOURCES OVER EXPENDITURES

69,163

FUND BALANCE AT BEGINNING OF YEAR

2,443,580

FUND BALANCE AT END OF YEAR

\$2,512,743

See Notes to Financial Statements

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds	\$69,163
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Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays for the period.

Capital Outlays Reported in the Fund Statements	\$ 7,159	
Depreciation Reported in the Statement of Activities	<u>(87,673)</u>	(80,514)

Items not requiring the use of current economic resources and, therefore, are not recorded as a fund expenditure

Net OPEB Obligation Expensed	<u>(541,271)</u>
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Change in Net Assets of Governmental Activities	<u><u>\$(552,622)</u></u>
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See Notes to Financial Statements

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS  
JUNE 30, 2011

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Non Support</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$2,420,765	\$2,691,589	\$148,012	\$5,260,366
Investments	2,150,000	0	0	2,150,000
Receivable	<u>0</u>	<u>0</u>	<u>20,502</u>	<u>20,502</u>
<u>TOTAL ASSETS</u>	<u>\$4,570,765</u>	<u>\$2,691,589</u>	<u>\$168,514</u>	<u>\$7,430,868</u>
<u>LIABILITIES</u>				
Due to:				
General Fund	\$27,120	\$ 0	\$163,188	\$ 190,308
Sheriff	0	0	5,326	5,326
Others	<u>4,543,645</u>	<u>2,691,589</u>	<u>0</u>	<u>7,235,234</u>
<u>TOTAL LIABILITIES</u>	<u>\$4,570,765</u>	<u>\$2,691,589</u>	<u>\$168,514</u>	<u>\$7,430,868</u>

See Notes to Financial Statements

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. The Clerk of Court is elected for a term of four years.

The accompanying financial statements of the Ouachita Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. *The ability of the police jury to impose its will on that organization and/or*
  - b. *The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.*
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the Clerk of Court's office is located and provides partial funding for equipment, furniture and supplies of the Clerk of Court's office, the Clerk of Court was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the Ouachita Parish financial reporting entity.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**B. BASIC FINANCIAL STATEMENTS**

Basic financial statements are presented at both the government-wide and fund financial statement level. Both levels of statements categorize primary activities as governmental. Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Clerk as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fees and charges to the public customers who use, or directly benefit from services, or privileges provided by a given function. Other items not reported as program revenues are reported instead as general revenues.

**C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. A one-year availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

**Fund Financial Statements (FFS)**

The financial transactions of the Clerk of Court are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, revenues, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

**Governmental Funds**

Governmental funds account for all or most of the Clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Clerk of Court. The following are the Clerk's governmental funds:

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

General Fund

The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The Advance Deposit, Registry of Court, and Non-Support Agency Funds account for assets held as an agent for others.

Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Accrual:** The governmental-type activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**Modified Accrual:** The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**D. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and cash on hand. Cash equivalents include time deposits. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.



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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Investments

Investments consist of monies held in the Louisiana Asset Management Pool (LAMP) a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

F. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk has no threshold level for capitalizing capital assets, all assets are capitalized. Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Building Improvements	20-40 Years
Furniture and Fixtures	5-10 Years
Vehicles	5-15 Years
Equipment	5-20 Years

G. Annual and Sick Leave

All employees of the Clerk of Court's office earn from five to twenty days of vacation leave and from one to ten days of sick leave each year, depending on length of service. Vacation leave must be taken during the year earned. Sick leave may be accumulated up to a maximum of twenty-five days. Any accumulated sick leave is forfeited upon termination of employment. There is no accrual for accumulated sick leave.

H. Risk Management

The Clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the Clerk also maintains an errors and omissions claims paid poly with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2011.

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

I. Budgetary Practices

The Clerk of Court annually adopts a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget. Any amendments to the budget are published in the Clerk of Court's official journal. Budgetary integration is employed as a management tool.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is not utilized in the funds of the Clerk of Court.

J. Equity Classifications

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

K. Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the School Board's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Uses of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS

At June 30, 2011, the Clerk of Court has cash and cash equivalents (book balances) totaling \$6,566,964 as follows:

Petty Cash	\$ 1,375
Governmental Fund - Demand Deposits	605,223
Governmental Fund - Time Deposits	700,000
Fiduciary Funds - Demand Deposits	4,560,366
Fiduciary Funds - Time Deposits	<u>700,000</u>
	<u>\$6,566,964</u>

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the Clerk of Court's carrying amount of deposits was \$6,566,964 and the bank balance was \$6,910,904. Of the bank balance, \$1,650,000 is covered by federal depository insurance. \$5,260,904 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Clerk of Court's name (GASB Category 3).

NOTE 3 - INVESTMENTS

Investments held at June 30, 2011 consist of \$3,100,000 in the Louisiana Asset Management Pool (LAMP), a local government investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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NOTE 3 - INVESTMENTS - CONTINUED

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 regular session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2011 consist of the following:

<u>General Fund</u>	
Court Cost, Fees and Charges	\$ 37,303
Court Attendance	904
Criminal Fees	35,901
Website Fees	8,258
Due from Advance Deposit	27,120
Due from Nonsupport	163,188
	<u>\$272,674</u>
<u>Agency Funds</u>	
NonSupport - State of Louisiana	<u>\$ 20,502</u>

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital asset is as follows:

Balance June 30, 2010	\$1,747,261
Additions	7,159
Deletions	<u>(689,159)</u>
Balance June 30, 2011	1,065,261
Less Accumulated Depreciation	<u>(931,403)</u>
Net Capital Assets, June 30, 2011	<u>\$ 133,858</u>

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NOTE 6 - PENSION PLAN

Substantially all employees of the Ouachita Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average salary for each year of credited service, not to exceed 100 percent of their final average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Ouachita Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Ouachita Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Ouachita Parish Clerk of Court's contributions to the System for the years ending June 30, 2011, 2010, and 2009 were \$329,339, \$272,679, and \$217,868, respectively, equal to the required contributions for each year.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description - The Ouachita Parish Clerk of Court medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Louisiana Clerks' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: completion of 25 years of service at any age; or attainment of age 55 and completion of 12 years of service. Based on historical experience, most employees wait until 25 years of service or until age 60 to enter D.R.O.P. Complete plan provisions are included in the official plan documents.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees and 50% for dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption: zero trend was used for dental insurance.

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NOTE 7- OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Life insurance coverage is provided to retirees and the blended rate (active and retired) is \$0.29 per \$1,000 of insurance. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70. The employer pays 100% of the cost of the retiree life insurance, but the cost is based on blended active/retired rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates - Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy - Until 2009, the Ouachita Parish Clerk of Court recognized the cost of providing post-employment medical and life benefits (Ouachita Parish Clerk of Court's portion of the retiree medical, dental and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2010/2011, Ouachita Parish Clerk of Court's portion of health care funding cost for retired employees totaled \$142,413, the dental totaled \$7,401, and the life insurance totaled \$4,829.

Effective with the Fiscal Year beginning July 1, 2009, Ouachita Parish Clerk of Court implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB 45).

Actuarial Value of Plan Assets - Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

Turnover Rate - An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 5%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18-25	15.0%
26-40	8.0%
41-54	6.0%
55+	4.0%

Post-Employment Benefit Plan Eligibility Requirements - Based on past experience, it has been assumed that entitlement to benefits will commence three years after they have been assumed to enter the D.R.O.P. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana Clerk of Courts' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: completion of 25 years of service at any age; or, attainment of age 55 and completion of 12 years of service. Based on historical experience, most employees wait until 25 years of service or until age 60 to enter D.R.O.P. Entitlement to benefits continue through Medicare to death.

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NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Investment Return Assumption (Discount Rate) - GASB Statement 45 state that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is no currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990 - 2013, release in July, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be funded at all, has no assets, and hence has a funded ration of zero. As of July 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$5,665,213 (medical), \$120,880 (dental), and \$530,603 (life), which is defined as that portion, as determined by a particular actuarial cost method (Ouachita Parish Clerk of Court uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010/2011, the entire actuarial accrued liability of \$5,665,213 (medical), \$120,880 (dental), and \$530,603 (life) was unfunded.

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>
Actuarial Accrued Liability (AAL)	\$5,665,213	\$ 120,880	\$ 530,603
Actuarial Value of Plan Assets	0	0	0
Unfunded Act. Accrued Liability (UAAL)	<u>5,665,213</u>	<u>120,880</u>	<u>530,603</u>
Funded Ration (Act. Val. Assets/AAL)	0%	0%	0%
Covered Payroll (Active Plan Members)	<u>1,969,206</u>	<u>1,969,206</u>	<u>1,969,206</u>
UAAL as a percentage of covered payroll	287.69%	6.13%	26.95%

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NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Ouachita Parish Clerk of Court and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Ouachita Parish Clerk of Court and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Ouachita Parish Clerk of Court and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method - The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Annual Required Contribution - Ouachita Parish Clerk of Court's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2010 is \$605,329 for medical, \$11,351 for dental, and \$57,815 for life, as set forth below:

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
Normal Cost	\$277,714	\$ 4,364	\$27,132	\$309,210
30-Year UAL Amortization Amount	<u>327,615</u>	<u>6,987</u>	<u>30,683</u>	<u>365,285</u>
Annual Required Contribution (ARC)	<u>\$605,329</u>	<u>\$11,351</u>	<u>\$57,815</u>	<u>\$674,495</u>

Net Post-Employment Benefit Obligation OPEB (Asset) - The table shows Ouachita Parish Clerk of Court's Net Other Post-Employment Benefit (OPEB) Obligation (Asset) for the fiscal year ended June 30, 2011:



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NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Beginning Net OPEB Obligation (Asset) 7-1-2010	\$535,482
Annual Required Contribution	674,495
Interest on Net OPEB Obligation (Asset)	21,419
ARC Adjustment	<u>0</u>
OPEB Cost	695,914
Contribution	0
Current Year Retiree Premium	<u>154,643</u>
Change in Net OPEB Obligation	<u>541,271</u>
Ending Net OPEB Obligation (Asset) 6-30-2011	<u>\$1,076,753</u>

Funded Status and Funding Progress - In the fiscal year ending June 30, 2011, Ouachita Parish Clerk of Court made no contributions to its post-employment benefits plan. The plan was not paid. The employer pays 100% of the cost of the medical, dental and life insurance for the retirees and dependents. Since blended rates (active and retired) were provided, unblended rates applicable before Medicare eligibility were estimated and were used pursuant to GASB 45's mandate. It was estimated that the Pre-Medicare retiree rates were 130% of the blended rate.

NOTE 8 - CHANGES IN AGENCY FUND BALANCES

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Non Support Fund</u>	<u>Total</u>
Balance, July 1, 2010	\$4,274,139	\$2,110,431	\$ 0	\$6,384,570
Additions	2,705,945	750,271	163,683	3,619,899
Deletions	<u>2,436,439</u>	<u>169,113</u>	<u>163,683</u>	<u>2,769,235</u>
Balance, June 30, 2011	<u>\$4,543,645</u>	<u>\$2,691,589</u>	<u>\$ 0</u>	<u>\$7,235,234</u>

NOTE 9 - LITIGATION AND CLAIMS

The Ouachita Parish Clerk of Court is not involved in any litigation at June 30, 2011, nor is he aware of any unasserted claims.

NOTE 10 - EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH POLICE JURY

The Ouachita Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Ouachita Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
License and Permits	\$ 17,000	\$ 18,500	\$ 18,271	\$ (229)
Intergovernmental Revenues -				
State - Supplemental Compensation	19,800	21,000	21,000	0
Fees, Charges, and Commissions for Services:				
Court Costs, Fees, and Charges	2,228,800	2,255,850	2,367,444	111,594
Fee for Recording Legal Documents	1,100,000	1,125,000	1,186,003	61,003
Charges for Copies	165,000	95,000	97,122	2,122
Charges for use of Photocopier	150,000	190,000	189,491	(509)
Court Attendance	12,000	11,000	10,896	(104)
Miscellaneous	8,000	11,350	11,342	(8)
Use of Money and Property	<u>11,000</u>	<u>21,000</u>	<u>21,482</u>	<u>482</u>
<b><u>TOTAL REVENUES</u></b>	<b><u>3,711,600</u></b>	<b><u>3,748,700</u></b>	<b><u>3,923,051</u></b>	<b><u>174,351</u></b>
<b><u>EXPENDITURES</u></b>				
Current:				
Personal Services and Related Benefits	3,086,660	3,100,000	3,074,465	25,535
Operating Services	680,500	650,500	621,233	29,267
Materials and Supplies	111,250	137,000	129,011	7,989
Travel and Other Charges	39,866	30,000	22,820	7,180
Capital Outlay	<u>65,000</u>	<u>35,000</u>	<u>7,159</u>	<u>27,841</u>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>3,983,276</u></b>	<b><u>3,952,500</u></b>	<b><u>3,854,688</u></b>	<b><u>97,812</u></b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>	<b><u>(271,676)</u></b>	<b><u>(203,800)</u></b>	<b><u>68,363</u></b>	<b><u>272,163</u></b>
<b><u>OTHER FINANCING SOURCE</u></b>				
Proceeds from Sale of Assets	<u>0</u>	<u>0</u>	<u>800</u>	<u>800</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCE OVER EXPENDITURE</u></b>	<b><u>(271,676)</u></b>	<b><u>(203,800)</u></b>	<b><u>69,163</u></b>	<b><u>272,963</u></b>
<b><u>FUND BALANCE AT BEGINNING OF YEAR</u></b>	<b><u>2,443,580</u></b>	<b><u>2,443,580</u></b>	<b><u>2,443,580</u></b>	<b><u>0</u></b>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b><u>\$2,171,904</u></b>	<b><u>\$2,239,780</u></b>	<b><u>\$2,512,743</u></b>	<b><u>\$272,963</u></b>

See Notes to Financial Statements

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2011

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Ouachita Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the Clerk and amended during the year, as necessary. The budget is established and controlled by the Clerk at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
JUNE 30, 2011

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2009	\$0	\$6,316,696	\$6,316,696	0.00%	\$1,969,206	320.77%

See Notes to Financial Statements

OTHER SUPPLEMENTARY INFORMATION

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
FIDUCIARY FUND TYPE - AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

FIDUCIARY FUND TYPE - AGENCY FUNDS

Advance Deposit Fund

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

Non-Support Fund

The Non-Support Fund accounts for funds which have been received from the Louisiana Department of Social Services after judgement has been rendered in court litigation. The funds are disbursed to the appropriate bodies and others.

See Notes to Financial Statements

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA  
FIDUCIARY FUND TYPE - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN UNSETTLED  
DEPOSITS DUE TO OTHERS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Non Support Fund</u>	<u>Total</u>
<u>UNSETTLED DEPOSITS DUE TO OTHERS</u>				
<u>AT JUNE 30, 2010</u>	\$4,274,139	\$2,110,431	\$ 0	\$ 6,384,570
<u>Additions</u>				
State of Louisiana - Non-Support	0	0	163,683	163,683
Suits and Successions	2,705,945	747,293	0	3,453,238
Interest Earned on Investments	0	2,978	0	2,978
<u>Total Additions</u>	<u>2,705,945</u>	<u>750,271</u>	<u>163,683</u>	<u>3,619,899</u>
<u>Total</u>	<u>6,980,084</u>	<u>2,860,702</u>	<u>163,683</u>	<u>10,004,469</u>
<u>Reductions</u>				
Clerk's Costs (transferred to General Fund)	1,534,640	2,033	122,702	1,659,375
Settlements to Litigants	399,047	167,080	0	566,127
Curators Fees	54,105	0	0	54,105
Stenographer's Fees	9,212	0	0	9,212
Sheriff's Fees	257,293	0	40,981	298,274
Other Fees	11,973	0	0	11,973
Other Reductions	170,169	0	0	170,169
<u>Total Reductions</u>	<u>2,436,439</u>	<u>169,113</u>	<u>163,683</u>	<u>2,769,235</u>
<u>UNSETTLED DEPOSITS DUE TO OTHERS</u>				
<u>AT JUNE 30, 2011</u>	<u>\$4,543,645</u>	<u>\$2,691,589</u>	<u>\$ 0</u>	<u>\$ 7,235,234</u>

See Notes to Financial Statements



REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

# MARCUS, ROBINSON, and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 2896  
MONROE, LOUISIANA 71207-2896  
TELEPHONE 322-8106  
FAX 387-5015

Harvey Marcus, CPA  
John Robinson, CPA  
Doyle Hassell, CPA

Dawn Perkins, CPA  
Brian Robinson, CPA

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Louise Bond  
Ouachita Parish Clerk of Court  
Monroe, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ouachita Parish Clerk as Court, a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2011, which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated December 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerks's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ouachita Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Ouachita Parish Clerk of Court, management of the Clerk's office, interested state agencies, and the Legislative Auditor of Louisiana and is not intended to be, and should not be used by anyone other than the specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Marcus Robinson & Hassell*

Marcus, Robinson and Hassell

December 12, 2011

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011

We have audited the financial statements of the governmental activities and each major fund of the Ouachita Parish Clerk of Court, as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements and have issued our report thereon dated December 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2011 resulted in an unqualified opinion.

Section I - Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses yes x no Significant Deficiency yes x no

Compliance

Compliance Material to Financial Statements yes x no

B. Federal Awards -N/A

Internal Control

Material Weaknesses yes no Significant Deficiency yes no

Type of Opinion on Compliance      Unqualified    Qualified     
For Major Programs                      Disclaimer    Adverse   

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

C. Identification of Major Programs: N/A

CFDA Number(s)      Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs \$N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?    yes    No N/A

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs - N/A

OUACHITA PARISH CLERK OF COURT  
MONROE, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2011

Section I - Internal Control Material to the Financial Statements

10-1- Funds were borrowed without obtaining the proper approval from the Louisiana State Board Commission. The Clerk entered into a thirty-nine month vehicle lease with GMAC and did not seek State Bond Commission approval for the lease.

Correction Action Taken Yes

Correction Action Planned N/A

Name of Contact Person Louise Bond, Clerk of Court

Anticipated Completion Date N/A

No findings were reported under this section

Section I - Compliance Material to Financial Statements

No findings were reported under this section.

Section II - Management Letter

No findings were reported under this section.

Section III- Management Letter

No management letter was issued.